

CCM 2014 Testimony

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FINANCE, REVENUE & BONDING COMMITTEE

March 13, 2014

The Connecticut Conference of Municipalities (CCM) is Connecticut's statewide association of towns and cities and the voice of local government - your partners in governing Connecticut. Our members represent over 92% of Connecticut's population. We appreciate the opportunity to testify on bills of interest to towns and cities.

HB 5464, "An Act Concerning Payments Distributed by the Municipal Revenue Sharing Account"

HB 5464 would allow for a one-time transfer and allocation of \$12.7 million in shared tax revenue into the Municipal Revenue Sharing Account (MRSA) to be distributed by the Office of Policy and Management to towns and cities.

CCM **supports HB 5464** as an appropriate means of addressing an unintended consequence of last year's budget bill.

Background:

Thanks to the General Assembly and Governor's ground-breaking efforts, MRSA was created in 2011 as a new, innovative way to provide additional aid to towns and cities and reduce their reliance on the regressive property tax. MRSA was funded by a portion of state sales, use, and real estate conveyance tax revenues. Those revenues were collected by the Department of Revenue Services and deposited into MRSA on at least a quarterly basis. Because of the timing of collections and deposits, payments from MRSA were basically a quarter behind.

The FY14-FY15 budget bill (P.A. 13-184) eliminated the transfer of the tax revenue into MRSA as of July 1, 2013. Since there are no more transfers after July 1, the last quarterly revenue from FY13 was not added to MRSA in the first quarter of FY 14. Instead, those FY13 last quarter revenues were sent to the State's General Fund, instead of to towns and cities. **Simply put, all statutorily-set portions of these taxes collected on, or prior to, June 30, 2013 should have been earmarked and distributed to municipalities, but were not.**

This unintended consequence of the budget bill meant that a total of only \$30.1 million was available in MRSA, and distributed, for the "final" surplus payments last August versus the \$42.8 million, as compared to August 2012. OPM Secretary Ben Barnes acknowledged this shortfall in an August 29, 2013 memo to municipal officials stating "...over a two year period, only 22 monthly deposits were made into the fund, resulting in the 2013 funding level being lower than the prior year."

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Municipal Revenue Sharing "Surplus" Payments			
	FY12	FY13	Difference
ANDOVER	28,813.19	20,276.46	(8,536.73)
ANSONIA	281,368.25	198,006.52	(83,361.73)
ASHFORD	43,642.54	30,712.28	(12,930.26)
AVON	118,080.99	83,095.59	(34,985.40)
BARKHAMSTED	32,953.15	23,189.85	(9,763.30)
BEACON FALLS	60,680.95	42,702.61	(17,978.34)
BERLIN	169,076.87	118,983.00	(50,093.87)
BETHANY	43,461.65	30,584.84	(12,876.81)
BETHEL	150,823.67	106,137.74	(44,685.93)
BETHLEHEM	28,630.29	20,147.72	(8,482.57)
BLOOMFIELD	172,581.62	121,449.35	(51,132.27)
BOLTON	43,377.49	30,525.69	(12,851.80)
BOZRAH	24,407.13	17,175.85	(7,231.28)
BRANFORD	206,834.76	145,553.60	(61,281.16)
BRIDGEPORT	3,024,623.87	2,128,518.05	(896,105.82)
BRIDGEWATER	11,287.36	7,943.11	(3,344.25)
BRISTOL	701,738.20	493,830.82	(207,907.38)
BROOKFIELD	115,584.66	81,339.04	(34,245.62)
BROOKLYN	109,998.42	77,408.81	(32,589.61)
BURLINGTON	71,080.03	50,020.42	(21,059.61)
CANAAN	8,791.40	6,186.67	(2,604.73)
CANTERBURY	58,810.49	41,386.42	(17,424.07)
CANTON	78,783.80	55,441.71	(23,342.09)
CHAPLIN	27,388.50	19,273.98	(8,114.52)
CHESHIRE	229,214.19	161,302.64	(67,911.55)
CHESTER	30,552.92	21,500.70	(9,052.22)
CLINTON	111,432.48	78,417.39	(33,015.09)
COLCHESTER	156,437.03	110,088.36	(46,348.67)
COLEBROOK	11,821.37	8,318.95	(3,502.42)
COLUMBIA	46,491.92	32,717.35	(13,774.57)
CORNWALL	9,080.96	6,390.42	(2,690.54)
COVENTRY	120,279.96	84,643.78	(35,636.18)
CROMWELL	120,041.47	84,475.76	(35,565.71)
DANBURY	817,098.33	575,011.38	(242,086.95)
DARIEN	125,921.23	88,612.75	(37,308.48)
DEEP RIVER	35,691.52	25,116.83	(10,574.69)
DERBY	148,530.44	104,524.60	(44,005.84)
DURHAM	62,124.25	43,718.15	(18,406.10)
EASTFORD	16,987.67	11,954.61	(5,033.06)

Municipal Revenue Sharing "Surplus" Payments			
	FY12	FY13	Difference
MARLBOROUGH	49,858.04	35,086.10	(14,771.94)
MERIDEN	863,276.29	607,510.88	(255,765.41)
MIDDLEBURY	56,201.48	39,550.06	(16,651.42)
MIDDLEFIELD	40,674.28	28,623.40	(12,050.88)
MIDDLETOWN	499,000.65	351,158.75	(147,841.90)
MILFORD	457,834.34	322,187.93	(135,646.41)
MONROE	143,957.46	101,305.64	(42,651.82)
MONTVILLE	227,078.88	159,801.12	(67,277.76)
MORRIS	17,765.55	12,501.96	(5,263.59)
NAUGATUCK	403,299.15	283,812.11	(119,487.04)
NEW BRITAIN	1,609,795.14	1,132,861.29	(476,933.85)
NEW CANAAN	119,608.63	84,170.46	(35,438.17)
NEW FAIRFIELD	100,806.33	70,939.32	(29,867.01)
NEW HARTFORD	57,829.23	40,695.64	(17,133.59)
NEW HAVEN	3,384,577.28	2,381,831.84	(1,002,745.44)
NEWINGTON	283,120.36	199,238.17	(83,882.19)
NEW LONDON	490,920.25	345,474.71	(145,445.54)
NEW MILFORD	226,363.01	159,296.30	(67,066.71)
NEWTOWN	194,935.67	137,179.83	(57,755.84)
NORFOLK	12,103.30	8,517.32	(3,585.98)
NORTH BRANFORD	126,827.40	89,251.20	(37,576.20)
NORTH CANAAN	38,301.45	26,953.70	(11,347.75)
NORTH HAVEN	188,063.69	132,344.20	(55,719.49)
NORTH STONINGTON	45,663.44	32,134.35	(13,529.09)
NORWALK	621,643.41	437,462.23	(184,181.18)
NORWICH	575,424.18	404,941.58	(170,482.60)
OLD LYME	49,868.05	35,093.00	(14,775.05)
OLD SAYBROOK	71,591.44	50,380.20	(21,211.24)
ORANGE	102,111.90	71,858.09	(30,253.81)
OXFORD	105,919.61	74,537.86	(31,381.75)
PLAINFIELD	235,232.47	165,539.59	(69,692.88)
PLAINVILLE	188,782.44	132,850.78	(55,931.66)
PLYMOUTH	145,847.09	102,636.30	(43,210.79)
POMFRET	42,009.03	29,562.74	(12,446.29)
PORTLAND	85,915.28	60,460.49	(25,454.79)
PRESTON	46,567.19	32,770.42	(13,796.77)
PROSPECT	86,368.04	60,779.12	(25,588.92)
PUTNAM	125,437.62	88,273.76	(37,163.86)
REDDING	58,416.60	41,108.74	(17,307.86)

Municipal Revenue Sharing "Surplus" Payments			
	FY12	FY13	Difference
WESTON	62,420.83	43,926.52	(18,494.31)
WESTPORT	160,498.02	112,944.97	(47,553.05)
WETHERSFIELD	233,453.00	164,285.95	(69,167.05)
WILLINGTON	57,763.87	40,649.75	(17,114.12)
WILTON	111,464.97	78,439.68	(33,025.29)
WINCHESTER	133,252.14	93,772.92	(39,479.22)
WINDHAM	588,937.47	414,453.20	(174,484.27)
WINDSOR	284,242.46	200,028.02	(84,214.44)
WINDSOR LOCKS	105,538.12	74,269.42	(31,268.70)
WOLCOTT	168,936.87	118,884.86	(50,052.01)
WOODBIDGE	59,236.34	41,685.63	(17,550.71)
WOODBURY	71,145.05	50,066.10	(21,078.95)
WOODSTOCK	75,806.80	53,347.01	(22,459.79)
	42,791,162.36	30,112,797.69	(12,678,364.67)

Source: Office of Policy and Management
August 28, 2013